

**2005**

# **The Big Sky on the Big Screen Act**



## **A Film Industry Incentive**

**April 20, 2005**

Produced by:

The Montana Film Office

Montana Department of Commerce

In Conjunction With

ArtsMarket, Inc.



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NOTE: Governor Schweitzer signed The Big Sky on the Big Screen Act into law May 17, 2005 in front of the historic Ellen Theatre, downtown Bozeman, MT.

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## I. EXECUTIVE SUMMARY

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On-location filmmakers have been coming to Montana for over 100 years, taking pictures and leaving money. Montana was a very popular location for filmmakers throughout the 70's, 80's and 90's. In the late 90's Canada and other foreign countries began offering financial incentive to film the same projects just over the border. Montana began losing film projects, and the positive economic impact that went with them. Recently other states have begun offering similar incentives and Montana's economy has suffered as more of the on-location production goes elsewhere.

This report has been written to illustrate the positive impacts of the film industry on Montana's economy. It also contains the incentive signed into law by Governor Schweitzer May 17, 2005 to bring film production back to Montana. This new law will net millions of new dollars into the economy.

### OVER THE LAST 6 YEARS THE FILM INDUSTRY HAS GENERATED:

- \$53 million in production related spending, resulting in an \$81.4 million impact on Montana's economy
- 930 full time equivalent job in the film industry and 444 jobs indirectly, through the spending of new money in the economy
- \$4.3 million dollars of tax revenue for Montana



*On the set of "What Dreams May Come." Glacier National Park, Two Medicine Area.  
Source: MT Film Office*

This report proposed a two-part tax incentive based on production company expenditures on montana labor and total qualified production expenditures excluding labor. The direct result of the Big Sky on the Big Screen Act will be:

- A significant increase in film production in Montana (similar programs in nearby states have shown over 400% growth in the first year)
- Millions of new dollars into the economy, creating greater economic output
- Montana jobs created that would not exist without the incentive
- Graduates of Montana's university film programs being able to find employment in Montana

## II. INTRODUCTION

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The film industry is considered extremely valuable in most states' economies because on-location filming acts as a "supercharged" source of new dollars that would not otherwise flow into the state economy. On-locations filming includes large commercial and smaller budget films, documentaries, educational/industrial films/videos, TV and print commercials, music videos, distance learning and all related work that is done on location in the state. The film industry brings in outside dollars, which then re-circulate through the economy. Films shot on-location in any state also serve as a promotion for that state, and indeed, films such as *A River Runs Through It* and *The Horse Whisperer*, alongside TV commercials and documentaries, have all contributed to building a positive image of Montana.

The movement of new business into the state economy may also be leveraged, at least in part, because of the visibility that films give to the state, its scenery and communities.

There are other impacts from a healthy on-location film industry that states seek. Chief among them is the intellectual capital that comes from having a year-round creative industry working within the state. Montana's university film programs are able to place graduates in jobs in Montana, and in return those businesses bring the out-of-state film industry back to the state to produce films and commercials. This maintains the education-to-jobs cycle. The industry is non-polluting, non-extractive and is also valued because it creates an enhanced quality of life through related programming such as film festivals.

It is also an industry that can, on nearly a moment's notice, breathe life into communities that need jobs and revitalization. When a film is made in a community, many workers are able to obtain employment, buildings are painted, empty warehouses are rented, hotel rooms and restaurants are filled, carpenters build sets, and huge infusions of new purchases for materials and services are made.

The investment of new film industry dollars mainly comes from out of state as well as from out of the country. Most film and commercial dollars flow into the state from either Los Angeles or New York, and increasingly from foreign investors. These dollars, which can mean anywhere from hundreds of thousands of new dollars a day to as much as \$35 million over six months for a major on-site shoot, would not otherwise come into the state.

It is because of this range of economic benefits that many states have become highly competitive in seeking increased on-location filming. Many states have implemented highly effective tax incentives for the film industry. Some states, such as Louisiana, Illinois and New Mexico, have recently taken the lead on increasing the direct on-site industry impact to their states by as much as 300% percent or more. Others are currently studying ways to gain their share of the business. Offshore, or so-called runaway film production benefits, are increasingly being realized by Canadian provinces, Australia, New Zealand, Central Europe and many and other countries. The province of Alberta, for example, offers a substantial benefits package to film producers who seek Canada's look-alike version of Montana.



*On the set of "Forrest Gump." Glacier National Park. Source: MT Film Office*

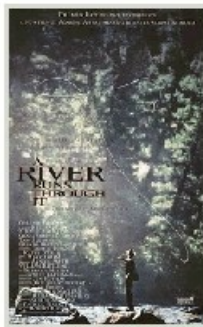


## Partial list of movies filmed in Montana

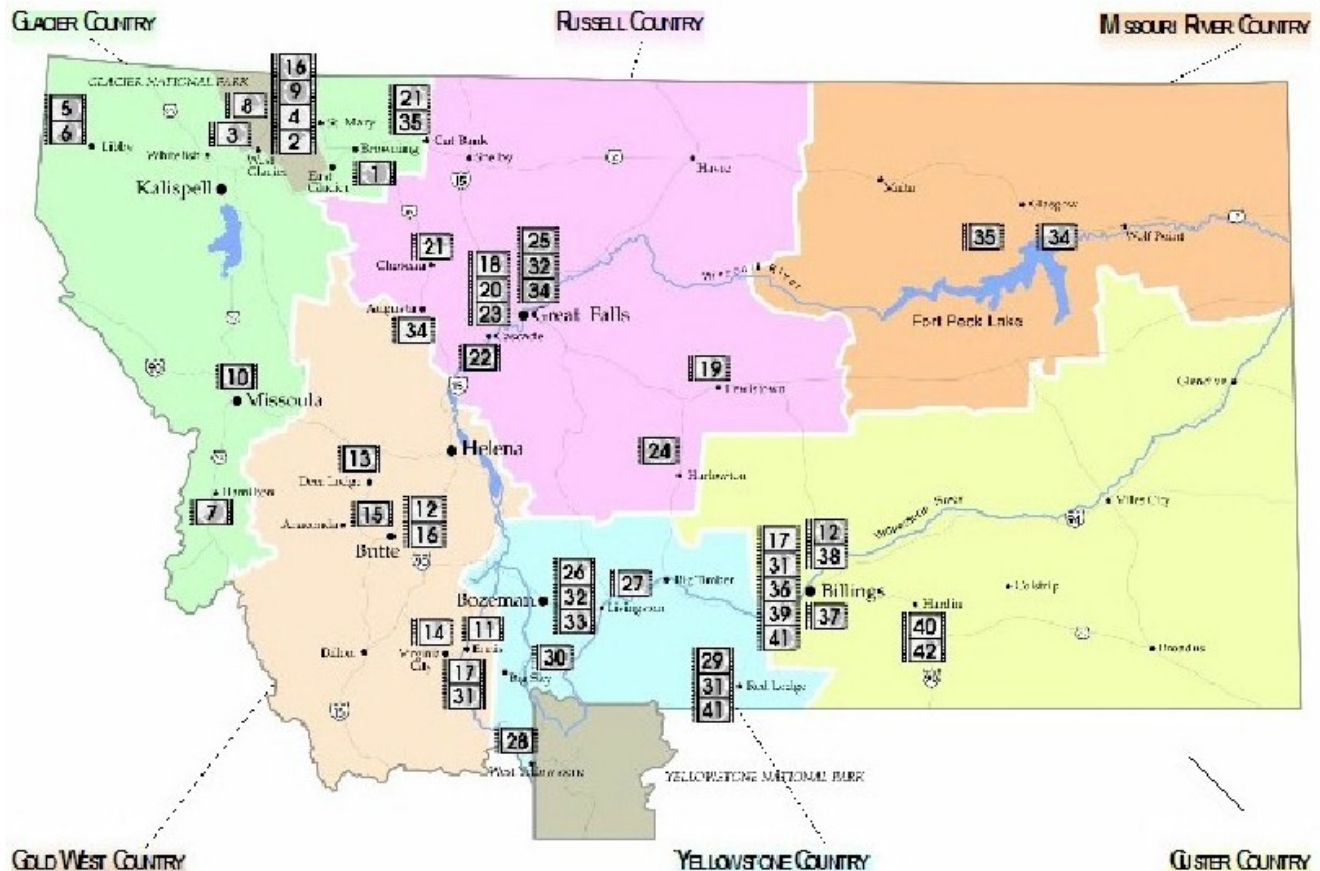
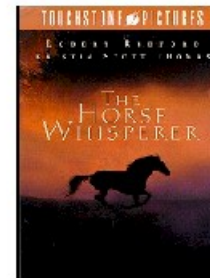
1. Hidalgo
2. What Dreams May Come
3. Beethoven's 2<sup>nd</sup>
4. Forrest Gump
5. The River Wild
6. Always
7. Disorganized Crime
8. The Shining
9. Cattle Queen of Montana
10. Red Skies of Montana
11. The Patriot
12. Return To Lonesome Dove
13. Diggstown
14. Thousand Pieces of Gold



29. The Ballad of Little Jo
30. A River Runs Through It
31. Missouri Breaks
32. Thunderbolt and Lightfoot
33. Rancho Deluxe
34. Northfork
35. Firefox
36. Josh and S.A.M.
36. Far and Away
38. Son of the Morning Star
39. Bright Angel
40. Pow Wow Highway
41. The Legend of Walks Far Woman
42. Warpath



15. Runaway Train
16. Heaven's Gate
17. Little Big Man
18. The Slaughter Rule
19. Broken Arrow
20. Holy Matrimony
21. War Party
22. The Untouchables
23. The Stone Boy
24. Heartland
25. Telefon
26. Everything That Rises
27. The Horse Whisperer
28. Iron Will



### III. METHODOLOGY

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This report was commissioned by the Montana Film Office to document the impacts of the film industry on the state, drawn from actual data from 1998-2003. This report was prepared by ArtsMarket, Inc., a Bozeman economic and research firm that provides economic studies of the creative and cultural industries and sectors.

The researchers developed a series of budget models for each type of on-location production based on 444 documented film projects produced in Montana over the last 6 years. The Montana Film Office surveyed each production to determine their expenditures in Montana. Fifteen percent of the producers answered the full survey regarding their production expenditures in Montana. Many other surveys were returned with sections of the surveys not completed where disclosure of these numbers could affect the filmmaker's business confidentiality. The film production impacts were developed only from the complete data. Some of the other impacts were modeled using the partial budget figures. These models were evaluated and adjusted by many of Montana's leading film producers for their accuracy in reflecting the range of impacts and size of productions that could be expected in any typical year.

The researchers worked with the actual number of reported on-site productions (444), and applied the analysis model to determine the full economic impact of these productions from 1998-2003, the years for which data was available. The economic, employment and tax impacts of these actual productions were evaluated by production type and by year. The Micro IMPLAN<sup>1</sup> system was used to further assess all the impacts of the direct expenditures.

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<sup>1</sup> The Micro IMPLAN model was used to generate expenditure patterns for more than 500 possible industries across Montana. Based on the county level Montana input-output tables, the Micro IMPLAN model generates a complete model of the state economy controlling for the unique industrial structure of the state and trade flows into and out of each county. This model of the state economy is used to calculate economic multipliers that can be combined with measures of output such as expenditures or consumer spending to estimate a direct, indirect and total economic impact.

Please note that there are more productions taking place every year on-site than are reported to the Film Office, particularly more commercials and other smaller budget productions. And, in the case of all productions, on-site costs as given are conservative compared to national norms.

Questions concerning this study can be directed to Sten Iversen, Manager of the Montana Film Office, at [sten@visitmt.com](mailto:sten@visitmt.com) or to Sean Becker, Research Director with ArtsMarket, Inc. at [sbecker@artsmarket.com](mailto:sbecker@artsmarket.com).



## IV. ECONOMIC IMPACT OF THE FILM INDUSTRY ON MONTANA'S ECONOMY

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### Direct Impacts

In any given week, a film crew will be landing at a Montana airport, renting cars, and heading out to location. They will be hiring local crew, doing post-production work on-site, and making frequent purchases of significant construction and other materials.

For a TV commercial spot for a new car or truck, the on-site work may be done in a few days to a week. A documentary may be on-site for a week. A major feature film that has a brief Montana setting may be on-site for a few weeks. And a film in which Montana plays a prominent role may set up on location for months at a time, often with months of advance preparation.



*Nature Valley Shoot. On Trapper Peak, Bitterroot Mountains. Source: MT Film Office*

Through records maintained by the Film Office, it has been possible to create sound, conservative models of each type of production, at each level of production – from low budget entries to major name production films. These expenditures as presented here are exceedingly conservative as compared to what would be seen in other, more costly states.

Direct economic impacts will represent just a portion of the total economic impact of attracted or retained off-site spending as we have seen from the previous sections. The total impact for every type of production also includes a multiplier effect. This multiplier effect occurs as off-site spending at restaurants, hotels, retail outlets or other businesses re-circulates throughout the Montana economy. For example, crews will purchase set supplies and materials on-site rather than truck or fly them in from out of

state. This will require additional spending by local businesses, professional services and any other type of good or service necessary to supply the industry. This means additional jobs for Montana far beyond the direct boundaries of the film expenditures.

At the same time, employees of restaurants, stores and other businesses will be earning additional money, and spending that money as part of their daily lives at the grocery stores and shopping malls, as well as for expenses such as healthcare, insurance and rent or mortgage payments. This results in additional jobs and wages throughout the economy. These extra sales, jobs and earnings are part of the “multiplier effect,” and should be added to the direct effect to calculate the total economic impact of attracted or retained off-site spending.

The Micro IMPLAN model<sup>2</sup> was used to calculate the economic multipliers and tax impacts of the film production industry on the state of Montana.



*“Northfork” production shoot. Near Augusta, MT. Source: MT Film Office*

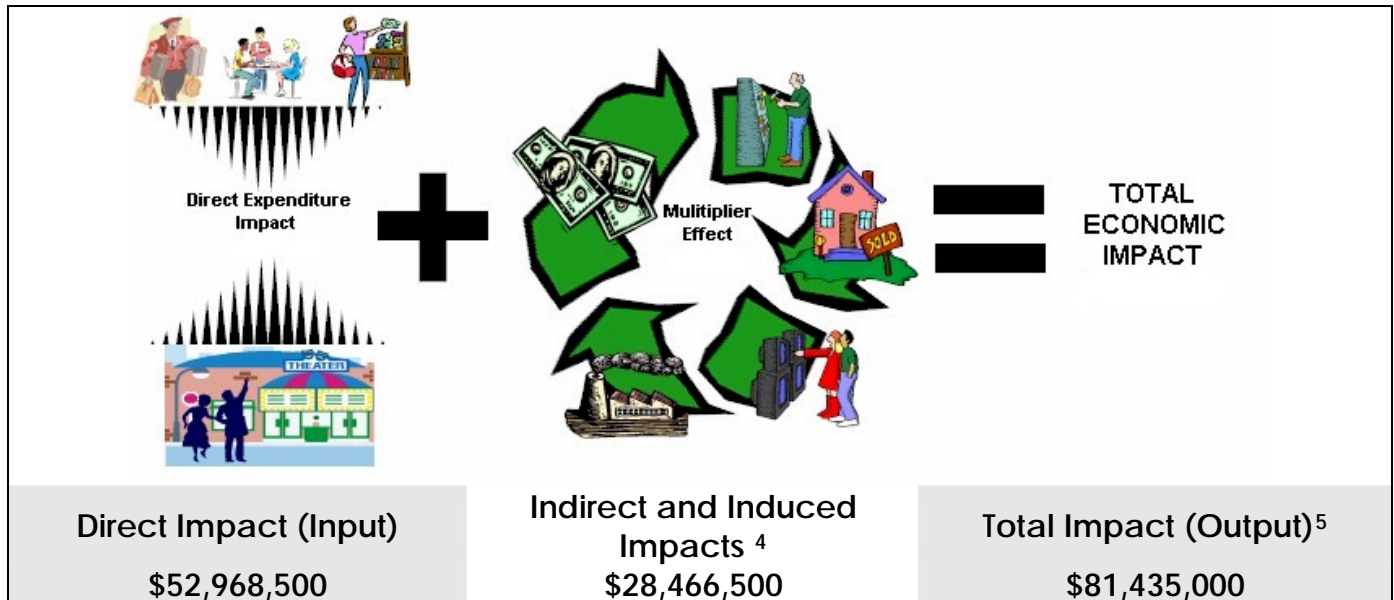
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<sup>2</sup> The Micro IMPLAN model can be used to generate a set of multipliers for more than 500 industries in any state or group of counties in the United States. The data set used to determine the following numbers was based upon Montana’s data. Based on Montana input-output tables, the Micro IMPLAN model generates a complete model of a state economy based on the unique industrial structure of the state and trade flows into and out of the state. This model of the state economy is used to calculate economic multipliers that can be combined with measures of output such as expenditures or consumer spending to estimate a direct, indirect (multiplier effect) and total economic impact.

## IMPACT OF FILM PRODUCTION OPERATING EXPENDITURES<sup>3</sup>

**TABLE 1**

**Summary of Film Production Impacts on Montana over a 6 year period (1998-2003)**



**TABLE 2**

**Summary of Economic Impacts by Production Type over 6 years (1998 – 2003)**

Summary of Impacts	Direct Impact (Input)	Indirect and Induced Impacts	Total Impact (Output)
Commercials	\$19,085,000	\$10,140,000	\$29,225,000
Documentaries	\$2,103,500	\$1,083,500	\$3,187,000
Edu/Industrial Film	\$369,000	\$179,000	\$548,000
Feature Films	\$14,100,000	\$7,388,000	\$21,488,000
Music Videos	\$513,000	\$257,000	\$770,000
Short Films	\$262,000	\$134,000	\$396,000
Still Shots	\$5,873,000	\$3,110,000	\$8,983,000
TV Impacts	\$10,663,000	\$6,175,000	\$16,838,000
<b>TOTAL OF IMPACTS</b>	<b>\$52,968,500</b>	<b>\$28,466,500</b>	<b>\$81,435,000</b>

<sup>3</sup> Calculated from models based upon actual reported production budgets.

<sup>4</sup> Indirect Effects: Represents the response by all local industries caused by industries purchasing from industries per million dollars of final demand for a given industry. (Film production related business spending)

Induced Effects: Represents the response by all local industries caused by the expenditures of new household income generated by the direct and indirect effects per million dollars of final demand for a given industry. (Spending by employees of film production related businesses)

<sup>5</sup> Industry output is a single number in dollars for each industry or industry model. The dollars represent the value of an economic model's total production. The data were derived from a number of sources, including Bureau of Census economic census, Bureau of Economic Analysis output estimates and the U.S. Bureau of Labor Statistics employment projections.

**TABLE 3****Summary of Economic Impacts by Year**

Year of Productions	Direct Impact (Input)	Indirect and Induced Impacts	Total Impact (Output)
1998	\$7,574,000	\$4,078,000	\$11,652,000
1999	\$14,106,000	\$7,628,500	\$21,734,500
2000	\$8,542,500	\$4,562,000	\$13,104,500
2001	\$6,120,500	\$3,333,500	\$9,454,000
2002	\$10,906,500	\$5,842,500	\$16,749,000
2003	\$5,719,000	\$3,022,000	\$8,741,000
<b>TOTAL</b>	<b>\$52,968,500</b>	<b>\$28,466,500</b>	<b>\$81,435,000</b>

**TABLE 4****Summary of Employment by Production Type over 6 years (1998-2003)**

Summary of Impacts	Direct Employment F.T.E. <sup>6</sup>	Indirect and Induced Employment F.T.E.	TOTAL Employment F.T.E.	Total Worker Income <sup>7</sup>
Commercials	308	147	455	\$8,683,000
Documentaries	35	17	52	\$997,000
Edu / Industry Film	6	3	9	\$162,000
Feature Films	232	110	342	\$7,055,000
Music Videos	9	4	13	\$235,000
Short Films	4	2	6	\$112,000
Still Shots	106	50	156	\$2,884,000
TV Impacts	231	110	341	\$6,145,000
<b>TOTAL OF IMPACTS</b>	<b>930</b>	<b>444</b>	<b>1,374</b>	<b>\$26,273,000</b>

**TABLE 5****Summary of Employment by Year**

Year of Productions	Direct Employment F.T.E.	Indirect and Induced Employment F.T.E.	TOTAL Employment F.T.E.	Total Worker Income
1998	133	64	197	\$3,735,000
1999	251	119	370	\$7,001,000
2000	146	70	216	\$4,171,000
2001	113	54	167	\$3,075,000
2002	190	91	281	\$5,506,000
2003	97	46	143	\$2,785,000
<b>TOTAL</b>	<b>930</b>	<b>444</b>	<b>1,374</b>	<b>\$26,273,000</b>

<sup>6</sup> F.T.E. = Full time equivalent employment

<sup>7</sup> Worker income is wage and salary payments as well as benefits, including: health and life insurance, retirement payments and any other non-cash compensation. It includes all income to workers paid by employers. Data comes from U.S. Department of Labor (ES202) employment security data supplemented by County Business Patterns (CPB) and Regional Economic Information System (REIS) data.

**TABLE 6****Percent of Production Expenditures into Montana Businesses by Production Type**

Expenditure Area	Percent of Direct Production Expenditures <sup>8</sup>								
	Commercial	Documentary	Educational / Industrial	Feature Film	Music Video	Short Film	Still Shot	Television	TOTAL EXPENDITURES
Percentage of expenditures by production type	36%	4%	1%	27%	1%	0%	11%	20%	100%
Labor	25%	22%	24%	13%	33%	36%	12%	12%	\$9,403,510
Actors	6%	10%	8%	5%	10%	20%	5%	1%	\$2,593,950
Hotel / Lodging	12%	12%	16%	12%	7%	8%	17%	31%	\$8,654,470
Equipment / Fuel	11%	15%	12%	25%	11%	2%	20%	2%	\$7,433,685
Props	6%	4%	3%	11%	4%	3%	4%	0%	\$3,054,610
Craft	1%	2%	1%	1%	15%	1%	4%	1%	\$798,730
Catering	6%	5%	11%	7%	5%	7%	11%	12%	\$4,247,445
Rental Cars	6%	4%	4%	3%	2%	8%	7%	8%	\$2,962,370
Lumber / Construction	7%	15%	4%	14%	7%	0%	3%	14%	\$5,345,155
Studio	0%	0%	11%	1%	0%	0%	0%	0%	\$181,590
Post-Production	12%	0%	4%	0%	0%	0%	0%	0%	\$2,304,960
Security	2%	2%	1%	3%	2%	0%	5%	5%	\$1,687,520
Location Fee	5%	9%	1%	5%	3%	15%	10%	12%	\$3,773,805
Film Processing	1%	0%	0%	0%	1%	0%	2%	2%	\$526,700
	100%	100%	100%	100%	100%	100%	100%	100%	\$52,968,500

<sup>8</sup> Calculated from actual reported production budgets.



## **V. TAX IMPACTS ON THE MONTANA ECONOMY**

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There are four primary data sources used to calculate the matrices that describe the state, local and federal tax impacts of a particular economic model. The data is examined by industry and aggregated to produce an overall impact. The data sources are the National Income and Product Accounts (NIPA), Consumer Expenditure Surveys (CES), Annual Survey of State and Local Government Finances (SCGF) and Regional Economic Information System data (REIS). The following is a more detailed breakdown of the data definitions.

### **National Income and Product Accounts (NIPA)**

All data used in the impact analysis is affected by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) NIPA values. The main elements that are applicable to the tax impact analysis are the Survey of Current Business, Personal Tax and Non-Tax Receipts, Indirect Business Tax and Non-Tax Accruals, Contributions for Social Insurance, Federal Governments Receipts and Current Expenditures, plus the controls for State and Local Government Receipts and Current Expenditures.

### **Consumer Expenditure Surveys (CES)**

The U.S. Census Bureau collects an ongoing survey of individual household expenditure patterns. This data is used by the Bureau of Economic Analysis (BEA) to benchmark consumption patterns that are implemented in the National Income and Product Accounts (NIPA). This information establishes the tax to income ratio for nine different income groups. Using the number of households in each category affected by a given impact it is possible to calculate the state/local and Federal tax values for as small of an area as a single county.

### **Annual Survey of State and Local Government Finances (SCGF)**

The U.S. Census Bureau's collection of state and local government receipts and expenditure data is used to control local tax values and the detailed relationships between government agencies and 500+ industries that may or may not be present in a given analysis.

## Regional Economic Information System Data (REIS)

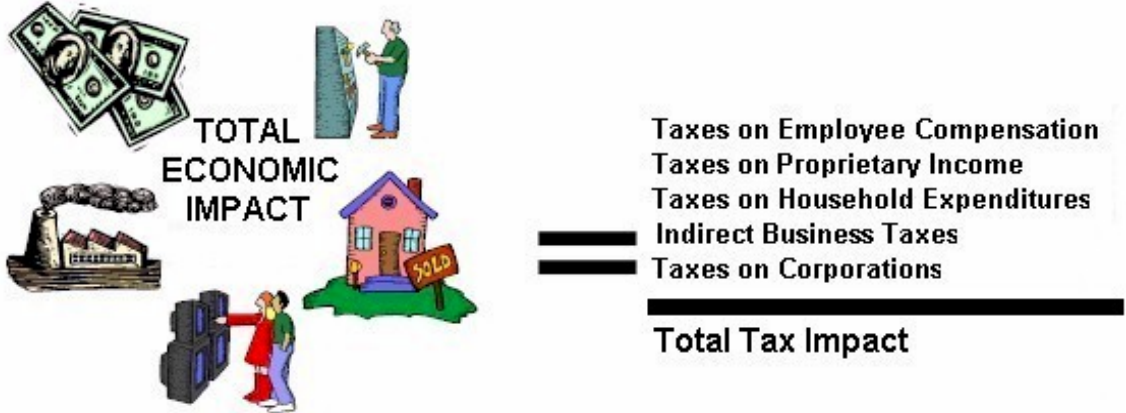
REIS data on income, wealth, tax and employment are collected by the Bureau of Economic Analysis (BEA) and applied to regional, state and local economies. The key REIS data for the tax impact analysis comes from the Personal Income by Major Source and Earnings by Industry and also the Personal Tax and Non-tax Payments tables (Tables CA05 & SA50, respectively from the BEA).

## Direct Production Expenditure Tax Impacts

Tax impact reports are generated by IMPLAN after the economic impact model has been created. The major assumption of this analysis is that which is true for the economy of interest as a whole, is true for isolated elements of an economy; worded more precisely, it is assumed the derivation of predictive multipliers for a local economy holds true for marginal changes. We are examining the impact of on-site work by producers making films in Montana, not a global analysis of the entire economy and its gross output

**TABLE 7**

### Summary of Tax Impacts on Montana over 6 years (1998-2003)

						
Production Tax Impact	Employee Compensation <sup>9</sup>	Proprietary Income <sup>10</sup>	Tax Generated by Household Expenditures <sup>11</sup>	Enterprises (Corporations) <sup>12</sup>	Indirect Business Taxes <sup>13</sup>	Total
TOTAL Fed & State	\$2,798,590	\$234,636	\$2,571,737	\$871,237	\$4,100,975	\$10,577,197
TOTAL Montana	\$69,502	\$0	\$745,735	\$157,900	\$3,369,491	\$4,342,628

<sup>9</sup> Employee Compensation Tax Impact: Taxes on total payroll costs (wages and salaries plus benefits) paid by local industries)

<sup>10</sup> Proprietary Income Tax Impact: Taxes on income from self-employment.

<sup>11</sup> Household Expenditure Tax Impact: Induced taxes on expenditures made by households affected by the impact model.

<sup>12</sup> Enterprise (Corporation) Tax Impact: Taxes on corporate income, includes withholding and dividends.

<sup>13</sup> Indirect Business Taxes: Resort taxes, excise, fees, licenses and other taxes paid during normal operation of industry. This includes all payments to the government except for taxes based on income.

**TABLE 8****Estimated Montana State Tax Impacts by Tax and Production Type over 6 years (1998-2003)**

Montana Tax Impact	Employee Compensation	Proprietary Income	Tax Generated by Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total MT Tax Impact
Commercial	\$22,738	\$0	\$246,715	\$51,764	\$1,071,966	\$1,393,184
Documentary	\$2,622	\$0	\$28,315	\$6,080	\$132,494	\$169,510
Edu/Industrial	\$415	\$0	\$4,594	\$1,165	\$20,720	\$26,894
Feature Film	\$18,657	\$0	\$200,263	\$46,050	\$885,869	\$1,150,839
Music Video	\$589	\$0	\$6,694	\$1,274	\$29,977	\$38,535
Short Film	\$276	\$0	\$3,191	\$603	\$12,376	\$16,446
Still Shot	\$7,601	\$0	\$81,902	\$19,466	\$350,066	\$459,035
Television	\$16,604	\$0	\$174,061	\$31,498	\$866,023	\$1,088,185
<b>TOTAL</b>	<b>\$69,502</b>	<b>\$0</b>	<b>\$745,735</b>	<b>\$157,900</b>	<b>\$3,369,491</b>	<b>\$4,342,628</b>

**TABLE 9****Estimated State Tax Impacts by Tax and Year (1998-2003)**

1998-2003 MT Tax Impact	Employee Compensation	Proprietary Income	Tax Generated by Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total
1998	\$9,876	\$0	\$106,050	\$22,188	\$479,829	\$617,942
1999	\$18,537	\$0	\$198,691	\$41,541	\$899,493	\$1,158,265
2000	\$11,010	\$0	\$118,432	\$25,465	\$528,249	\$683,155
2001	\$8,156	\$0	\$87,247	\$17,613	\$403,775	\$516,792
2002	\$14,596	\$0	\$156,268	\$33,834	\$706,365	\$911,064
2003	\$7,327	\$0	\$79,047	\$17,247	\$351,784	\$455,407
<b>TOTAL</b>	<b>\$69,502</b>	<b>\$0</b>	<b>\$745,735</b>	<b>\$157,900</b>	<b>\$3,369,491</b>	<b>\$4,342,628</b>

**TABLE 10****Summary of Montana Taxes Generated by Film Production (1998-2003)**

Total Direct Film Production Expenditures	\$52.9 million
Total Impact of \$53 million Production Expenditures	\$81.4 million
Total Montana Tax Impact	\$4.3 million
Percentage of Production Expenditures that become MT Tax	8.2%

The above tax tables do not include increases in the hotel and rental car taxes implemented July 2004. With these taxes included, the percentage of production expenditures that becomes Montana tax increases from 8.2 percent to 8.9 percent. The figure of 8.9 percent is used in all calculations relating to FY 2004, where the car rental and hotel taxes are implemented.

## VI. INCENTIVES FOR THE FILM INDUSTRY

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*On the set of "Forrest Gump."  
Glacier National Park.  
Source: MT Film Office*

Despite state efforts at promoting Montana as a filming location, the state has lost film production to other states and provinces that are offering incentives to film production companies. The economic impact from film production in 2003 was \$5.7 million. This is the lowest of the last six years and is significantly lower than the early to mid 90's, when Montana hosted many more major motion pictures.

The late 90's saw a steep decline in film production as producers began to take advantage of the strength of the U.S. dollar in foreign countries, as well as foreign subsidies offered to productions filming out of the country. The U.S. Department of Commerce reported a loss of over \$10 billion to the U.S. economy as a result. Many states took action and developed tax incentives and/or rebates in order to compete. Now, almost every state that imposes a sales or use tax has an exemption for the film industry, and 11 other states have incentive programs. With the Big Sky on the Big Screen Act Montana will have the fifth strongest incentive program in the US.

The state of New Mexico implemented an incentive program and saw production expenditures grow from \$8 million in direct expenditures to \$80 million direct in one year's time. Illinois implemented an incentive based on labor expenditures and saw production triple from \$25 million to \$75 million in the span of LESS than one year. Louisiana implemented a labor incentive in the form of a tax credit and saw production jump from \$30 million to over \$250 million in direct expenditures since its inception.

**In order to help grow Montana's economy, create good paying jobs for Montana workers and university graduates, promote tourism and rebuild an industry, it is necessary to implement an effective film production incentive.**

**This incentive will renew interest in Montana and allow the state to regain its place as a top choice for on-location filmmaking.**

Film production in Montana will continue to decrease as other states implement incentives, absent the Big Sky on the Big Screen Act. Producers call the Montana Film Office each week inquiring if Montana offers incentives. Eventually, these same producers film their projects in locales that do offer incentives. Montana is poised to capture a good share of the on-location filmmaking by becoming competitive.

### **Two-part outline of Montana's film production incentive**

#### **↪ Part One: Jobs creation for Montanans**

Twelve percent incentive rebate based upon Montana resident labor expenditures by certified production companies. This incentive would apply to the first \$50,000 worth of wages paid per Montana resident. The production company will be certified by the Montana Film Office, DOC, and submit all required documentation to the Department of Revenue for incentive.

#### **↪ Part Two: Competitive incentive to bring production back to Montana**

Eight percent incentive rebate based on total qualified production company expenditures. These consist of hotel and lodging expenditures, production equipment rental, fuel costs, expendables, lumber/construction materials, vehicle rentals, and food expenditures. All purchases and rentals must occur in Montana. These expenditures must be reported to the Department of Revenue and the Montana Film Office, DOC. This incentive excludes labor.

These incentives are capped at a total of \$1 million per production.



## Detailed descriptions of the two-part incentive plan

### **Part One: 12 percent rebate to certified production companies based on Montana payroll.**

The Department of Revenue already tracks labor expenditures on Montanans, and no dollar spent by the production company has a more positive effect on the Montana economy than the dollar spent on a Montana worker.

As demonstrated in the table below, film production spends 18 percent of its in-state expenditures on Montana labor. Many film production jobs are filled with employees from out of state. An incentive based on Montana labor expenditures would encourage producers to film in Montana and hire Montanans. Both of Montana's universities have highly rated film



*On the set of "River Wild." Libby Area Source: MT Film Office*

programs, but currently, Montana graduates must leave the state to find work. The "Big Sky on the Big Screen Act" will create jobs for Montana graduates. The incentive includes direct cash rebates to production companies after payroll is verified by the Department of Revenue. The income tax revenue generated by the new employment of Montanans would immediately flow into the state coffers due to withholding. The following chart shows what production companies spent on Montana labor in 2003.

**TABLE 11****2003 Labor Expenditures by Production Type**

Expenditure Area	Direct Production Expenditures <sup>14</sup>								TOTAL
	Commercial	Documentary	Educational / Industrial	Feature Film	Music Video	Short Film	Still Shot	Television	
2003 Total Production Expenditures	\$1,615,000	\$391,500	\$73,000	\$2,350,000	\$253,000	\$80,500	\$535,000	\$421,000	<b>\$5,719,000</b>
Percentage of Production Budget Dedicated to Labor Costs	25%	22%	24%	13%	33%	36%	12%	12%	<b>18%<sup>15</sup></b>
2003 Labor Cost	\$403,750	\$86,130	\$17,520	\$305,500	\$83,490	\$28,980	\$64,200	\$50,520	<b>\$1,029,420</b>

**TABLE 12****2003 Montana Tax Collected Compared to MT Labor Expenditures by Production Type**

	Commercial	Documentary	Educational / Industrial	Feature Film	Music Video	Short Film	Still Shot	Television	TOTAL
2003 Montana Tax	\$118,436	\$31,843	\$5,457	\$191,872	\$19,049	\$5,077	\$42,245	\$41,428	<b>\$455,407</b>
2003 Labor Cost	\$403,750	\$86,130	\$17,520	\$305,500	\$83,490	\$28,980	\$64,200	\$50,520	<b>\$1,029,420</b>
Percentage of Montana Tax Collected Compared to Labor Expenditure in Montana = (tax/labor)	29.2%	36.6%	30.4%	62.8%	22.8%	17.4%	65.1%	80.6%	<b>44.0%</b>

<sup>14</sup> Calculated from actual reported production budgets, then averaged out within each production type.

<sup>15</sup> Calculated based on the actual numbers of each production type as well as the percentage of labor.

**Part two: An eight percent incentive on total qualified expenditures<sup>16</sup> in Montana by certified production companies, excluding labor.**

This portion of the incentive encourages production companies to film in Montana. An eight percent incentive based on the verified qualified expenditures spent in Montana, coupled with a twelve percent incentive for Montana labor, will return



*On the set of "Forrest Gump." Glacier National Park.  
Source: MT Film Office*

major film producers to Montana again. With many other states and provinces offering fifteen percent rebates based on production expenditures, an eight percent rebate by itself is not enough; but coupled with a labor incentive, it will dramatically increase film production in Montana. The eight percent credit will also encourage film productions to buy locally and utilize as many Montana

businesses as possible in their productions. It is very important to note that the state will not have to spend a dime until a production company invests a new dollar in Montana's economy, a dollar that would otherwise go to Canada or another state. This is eight cents for a dollar — invest eight cents and garner one dollar's worth of economic development!

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<sup>16</sup> Based on the actual production budgets submitted to the Montana Film Office, DOC. Qualified expenditures are 54 percent of an average production's expenditures. Qualified in-state expenditures consist of hotel and lodging expenditures, production equipment rental, fuel costs, expendables, lumber/construction materials, vehicle rentals, and food expenditures. All purchases and rentals must occur in Montana.

## VII. COSTS VS BENEFITS OF PROPOSED FILMING INCENTIVE

The following is a pro forma example of the incentive program at work. This example makes the realistic assumption that Montana will achieve production growth similar to that of nearby states with comparable programs (i.e. quadruple direct production expenditures).

**TABLE 13**

**Example of the proposed incentive at projected production levels in 2006**

• ESTIMATED PRODUCTION EXPENDITURES IN 2006 = \$25 MILLION DIRECT <sup>17</sup>
• ESTIMATED MONTANA TAX REVENUE GENERATED BY PRODUCTION EXPENDITURES = \$2.22 MILLION <sup>18</sup>
• ESTIMATED MONTANA LABOR EXPENDITURES BY PRODUCTION COMPANIES = \$4.5 MILLION <sup>19</sup>
• ESTIMATED INCENTIVE FOR 12 PERCENT OF LABOR EXPENDITURES = \$540,000
• QUALIFIED EXPENDITURES IN MONTANA EXCLUDING LABOR = \$13.5 MILLION <sup>20</sup>
• ESTIMATED INCENTIVE FOR 8 PERCENT OF QUALIFIED EXPENDITURES = \$1.08 MILLION
• ESTIMATED MONTANA TAX REVENUE GENERATED BY PRODUCTION EXPENDITURES = \$2.22 MILLION
• TOTAL INCENTIVE COST FOR MONTANA, INCLUDING BOTH INCENTIVES = \$1.62 MILLION
• ESTIMATED TAX RETAINED BY STATE OF MONTANA = \$600,000 <sup>21</sup>
• ESTIMATED ADMINISTRATIVE FEE COLLECTED BY STATE OF MONTANA = \$60,000 <sup>22</sup>

<sup>17</sup> Estimate based upon percentage of increase in production expenditures experienced by other states with comparable incentives.

<sup>18</sup> Montana tax, including direct, indirect & induced equals 8.9 percent (starting in 2004) of total production expenditures. The 8.9 percent tax rate includes the increases in the hotel & rental car taxes implemented July 2004.

<sup>19</sup> Labor expenditure calculated at current rate of 18 percent of total film production expenditures.

<sup>20</sup> Based on the actual production budgets submitted to the Montana Film Office, DOC. Qualified expenditures are 54 percent of an average production's expenditures. Qualified in-state expenditures consist of hotel and lodging expenditures, production equipment rental, fuel costs, expendables, lumber/construction materials, vehicle rentals, and food expenditures. All purchases and rentals must occur in Montana.

<sup>21</sup> Estimated tax generated minus total of incentives issued.

<sup>22</sup> Estimated fees collected based upon a projection of 85 total productions filming in Montana, generating \$25 million in direct expenditures.

Twenty-five million dollars in production expenditures translates into new jobs, increased economic development and the building of a clean industry. Montana will retain \$600,000 worth of tax revenue, much more than it would garner without the Big Sky on the Big Screen Act. Production will increase, and Montana will see the effects of an additional \$19.3 million into the state economy. Note, however, that this example is based on local employment making up 18 percent of production expenditures and does not account for the projected increase in Montana hires that will be a direct consequence of this incentive program. The more labor hired, the more Montana income tax paid, the more new dollars will be injected into the economy, and the quicker the incentive becomes tax positive for the state.

It is highly unlikely that this program will not produce successful results, based upon successes of similar programs. However, if the program is not successful in increasing production and production did not grow at all or dropped below 2003 levels, the state's maximum liability would be minimal. The state's maximum risk at \$5.7 million worth of expenditures (2003 levels) will be \$350,000 in incentives. In order to reduce risk, the Big Sky on the Big Screen Act calls for a performance review of the program in 2007 and a mandatory sunset of the program in 2009 if production does not increase significantly.



*On the set of "Forrest Gump." Glacier National Park.  
Source: MT Film Office*

In summary, absent an incentive, film production in Montana will continue to decline as other states and countries lure film projects with incentives. The Big Sky on the Big Screen Act is an investment, but the alternative is to see production decrease below 2003 levels, at which point the state will lose the tax revenue and jobs that currently have been created. If this proposal is successful, the state will see increased revenue, as well as new jobs created and new money flowing into the economy of this great state.



## ADDENDUM A:

### SOURCES AND DEFINITIONS

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#### Impact Table Definitions<sup>23</sup>

This report looks at several use possibilities and their economic implications to the Montana economy. It is important to note that economic impact projections are estimates. The following tables briefly describe each of the data sources and the means used to estimate impacts.

<b>Output</b>	Industry output is a single number in dollars for each industry or industry model. The dollars represent the value of an economic model's total production. The data were derived from a number of sources, including Bureau of Census economic census, Bureau of Economic Analysis output estimates, and the U.S. Bureau of Labor Statistics employment projections.
<b>Worker Income</b>	Employee compensation is wage and salary payments as well as benefits, including health and life insurance, retirement payments, and any other non-cash compensation. It includes all income to workers paid by employers. Data come from U.S. Department of Labor (ES202) employment security data supplemented by county business patterns (CPB) and Regional Economic Information System (REIS) data.
<b>Employment</b>	Number of part- and full-time jobs. Employment is listed as a single number of jobs for each industry or impact model. Data come from U.S. Department of Labor (ES202) employment security data supplemented by county business patterns (CPB) and Regional Economic Information System (REIS) data.
<b>Direct Effect</b>	Represents the response (e.g., change in employment) for a given industry per million dollars of final demand for that same industry. Payments to labor affect most industries directly.
<b>Multiplier (Indirect Effects + Induced Effects)</b>	Indirect Effects: Represents the response by all local industries caused by the iteration of industries purchasing from industries per million dollars of final demand for a given industry. (Film production-related business spending) Induced Effects: Represents the response by all local industries caused by the expenditures of new household income generated by the direct and indirect effects per million dollars of final demand for a given industry. (Spending by employees of film production related businesses)
<b>Total Effects</b>	Total multiplier effect is the sum of the direct, indirect and induced effects. It represents the entire response per million dollars of final demand.

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<sup>23</sup> © 1996 MIG, Inc.

## Incentive Definitions

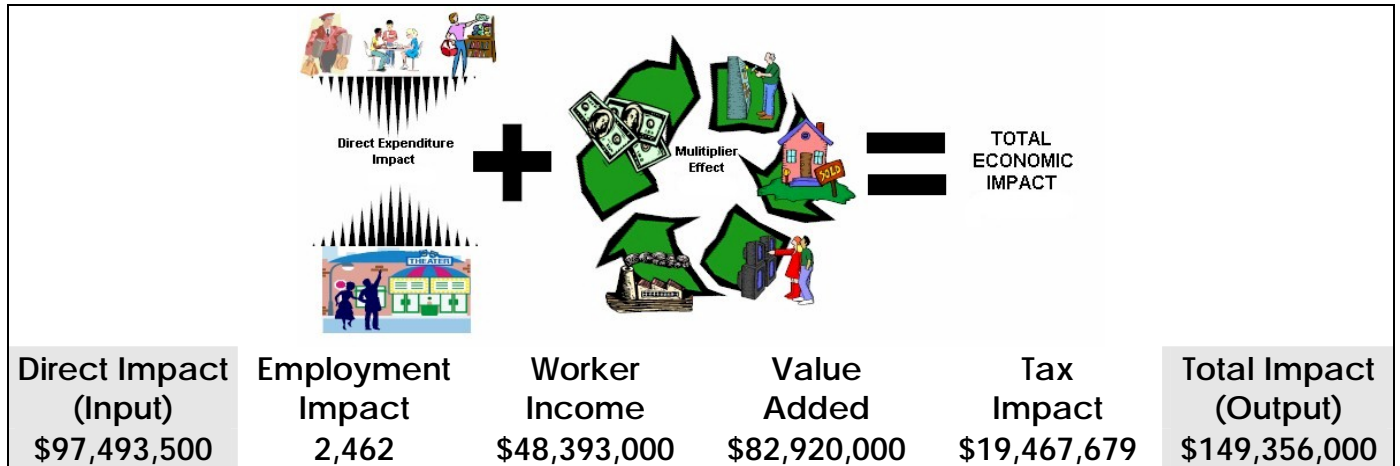
<b>Certified Production</b>	<p>A qualified production which has applied to and been certified by the Montana Film Office, DOC.</p> <p>The certification process is as follows.</p> <ol style="list-style-type: none"> <li>1. The production company will submit a letter of application to the Montana Film Office/Department of Commerce, signed by an officer of the company, that contains the following:               <ol style="list-style-type: none"> <li>A) The company's name and business address, including phone and fax numbers, as well as incorporation information and their federal tax id number. (This should be the name of the company to receive the rebate.)</li> <li>B) The company's local production office address, including phone and fax numbers.</li> <li>C) The names of the Line Producer, Unit Production Manager and Production Accountant.</li> <li>D) The title of the production.</li> <li>E) The type of project: feature length film, short film, commercial, documentary, video, print ad, television series or television segment</li> <li>F) The proposed dates of production, including start date of pre-production and completion date of principal photography.</li> <li>G) A copy of the script, or a synopsis.</li> <li>H) The intended plan for national distribution.</li> <li>I) A paragraph stating: This production company does not include any company owned, affiliated, or controlled, in whole or in part, by any company or person which is in default on a loan made by the state of Montana or a loan guaranteed by the state, or any company or person who has ever declared bankruptcy under which an obligation of the company or person to pay or repay public funds or monies was discharged as a part of such bankruptcy.</li> <li>J) A paragraph stating: The production does not contain any material or performance defined as obscene by Montana Code Annotated, section § 45-8-201.</li> </ol> </li> <li>2. The Montana Film Office/DOC reviews the information. Montana Film Office will notify the Production of the review results. A positive notification will include:               <ol style="list-style-type: none"> <li>A) A certification number</li> <li>B) The name(s) and phone number(s) of the relevant contact/compliance person(s) at the Montana Department of Revenue.</li> </ol> </li> </ol> <p>The certification applications must be completed, submitted and approved prior to completion of principal photography. The production company must submit a copy of all qualified expenditures and Montana labor costs to the Montana Film Office, DOC upon completion of principle photography.</p>
<b>Qualified Expenditures</b>	<p>Verified production company expenditures on the following: hotel and lodging expenditures, production equipment rental, fuel costs, expendables, lumber/construction materials, vehicle rentals, and food expenditures. All purchases and rentals must occur in Montana.</p>

<b>Expendables</b>	Items purchased for use in a production that in all probability will be used completely (e.g., light bulbs, tape, gels).
<b>Qualified Production</b>	A nationally distributed feature length film, short film, commercial, documentary, video, print ad, television series or television segment. It does not include television news or athletic events.
<b>Nationally Distributed</b>	The production company must submit the intended plan for distribution. National distribution may include theatrical release, TV/cable broadcast, film festival release, direct to video (sale or rental), and internet distribution. Commercials may be nationally or regionally distributed.
<b>Qualified Company</b>	A company engaged in the business of producing nationally distributed feature length film, short film, documentary, video, television series, or television segment
<b>Labor Expenditure</b>	Actual reported income paid to a Montana resident taxpayer as reported to the Montana Department of Revenue.
<b>Administration Fee</b>	The structure of the administration fee is still being developed. It will generate approximately \$60,000 in fees at \$25 million in production spending for the Department of Revenue to cover processing costs, staff time, computers, and overhead.
<b>Term</b>	4 Years. This program will be up for review and possible sunset in the 2009 legislature
<b>Tax Credit Payment</b>	The film production company must file tax incentive documentation with the Montana Department of Revenue by March 31 of the calendar year following the production. Productions spanning calendar years must file each year.

## ADDENDUM B:

### IMPACT OF 1997 FILM PRODUCTION OPERATING EXPENDITURES

#### Summary of Film Production Impacts on the State of Montana – INCLUDING 1997



#### Summary of Impacts by Production Type (1997)

Summary of Impacts	Direct Impact (Input)	Employment Impact	Worker Income	Value Added	Tax Impact	Total Impact (Output)
Commercials	\$4,049,000	97	\$1,842,000	\$3,034,000	\$729,335	\$6,200,000
Documentaries	\$225,500	6	\$107,000	\$179,000	\$43,648	\$342,000
Edu / Industry Film	\$91,000	2	\$40,000	\$70,000	\$16,229	\$135,000
Feature Films	\$37,591,000	911	\$18,806,000	\$31,918,000	\$7,564,274	\$57,289,000
Music Videos	\$130,000	3	\$59,000	\$96,000	\$23,528	\$195,000
Short Films	\$46,000	1	\$20,000	\$31,000	\$7,339	\$70,000
Still Shots	\$1,185,500	32	\$582,000	\$996,000	\$231,756	\$1,813,000
TV Impacts	\$1,207,000	36	\$664,000	\$1,064,000	\$274,373	\$1,877,000
<b>TOTAL OF IMPACTS</b>	<b>\$44,525,000</b>	<b>1,088</b>	<b>\$22,120,000</b>	<b>\$37,388,000</b>	<b>\$8,890,482</b>	<b>\$67,921,000</b>

#### Summary of Impacts by Year

Year of Productions	Direct Impact (Input)	Employment Impact	Worker Income	Value Added	Tax Impact	Total Impact (Output)
1997	\$44,525,000	1,088	\$22,120,000	\$37,388,000	\$8,890,482	\$67,921,000
1998	\$7,574,000	197	\$3,735,000	\$7,169,000	\$1,503,324	\$11,652,000
1999	\$14,106,000	370	\$7,001,000	\$11,558,000	\$2,817,909	\$21,734,500
2000	\$8,542,500	216	\$4,171,000	\$6,937,000	\$1,672,803	\$13,104,500
2001	\$6,120,500	167	\$3,075,000	\$5,034,000	\$1,245,024	\$9,454,000
2002	\$10,906,500	281	\$5,506,000	\$9,186,000	\$2,221,774	\$16,749,000
2003	\$5,719,000	143	\$2,785,000	\$5,648,000	\$1,116,363	\$8,741,000
<b>TOTAL</b>	<b>\$97,493,500</b>	<b>2,462</b>	<b>\$48,393,000</b>	<b>\$82,920,000</b>	<b>\$19,467,679</b>	<b>\$149,356,000</b>

## Total Tax Impacts FY 1997



**TOTAL  
ECONOMIC  
IMPACT**

**Taxes on Employee Compensation  
Taxes on Proprietary Income  
Taxes on Household Expenditures  
Indirect Business Taxes  
Taxes on Corporations**

**Total Tax Impact**

1997 Tax Impact	Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	TOTAL 1997 Tax Impact
<b>TOTAL</b>	\$2,354,770	\$198,259	\$2,165,742	\$786,290	\$3,385,421	<b>\$8,890,482</b>
<b>TOTAL IN MT</b>	\$57,939	\$0	\$628,061	\$142,433	\$2,781,542	<b>\$3,609,975</b>

## Percent of Product Tax Impact Retained by Montana (1997)

1997 TOTAL Tax Impact	Total 1997 Tax Impact	Total MT 1997 Tax Impact	Percent Montana Impact in 1997
Commercial	\$729,336	\$295,030	40.45%
Documentary	\$43,648	\$18,171	41.63%
Edu/ Industry	\$16,229	\$6,632	40.87%
Feature Film	\$7,564,262	\$3,068,136	40.56%
Music Video	\$23,539	\$9,765	41.48%
Short Film	\$7,339	\$2,888	39.35%
Still Shot	\$231,757	\$92,657	39.98%
Television	\$274,372	\$116,696	42.53%
<b>TOTAL TAX IMPACT</b>	<b>\$8,890,482</b>	<b>\$3,609,975</b>	<b>40.60%</b>

## Estimated Total (Federal and State) Tax Impacts of Film Production In MT (1997-2003)

Year	Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total Tax Impact
<b>1997</b>	\$2,354,770	\$198,259	\$2,165,742	\$786,290	\$3,385,421	<b>\$8,890,482</b>
<b>1998</b>	\$397,695	\$33,462	\$365,718	\$122,436	\$583,994	<b>\$1,503,324</b>
<b>1999</b>	\$746,468	\$62,246	\$685,207	\$229,224	\$1,094,763	<b>\$2,817,909</b>
<b>2000</b>	\$443,293	\$37,641	\$408,419	\$140,523	\$642,926	<b>\$1,672,803</b>
<b>2001</b>	\$328,399	\$27,127	\$300,878	\$97,187	\$491,431	<b>\$1,245,024</b>
<b>2002</b>	\$587,704	\$48,755	\$538,909	\$186,697	\$859,709	<b>\$2,221,774</b>
<b>2003</b>	\$295,031	\$25,405	\$272,606	\$95,170	\$428,152	<b>\$1,116,363</b>
<b>TOTAL</b>	<b>\$5,153,360</b>	<b>\$432,895</b>	<b>\$4,737,479</b>	<b>\$1,657,527</b>	<b>\$7,486,396</b>	<b>\$19,467,679</b>



### Estimated Annual State Tax Impacts by Tax and Production Type (1997)

1997 MONTANA Tax Impact	Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total Tax Impact
Commercial	\$4,284	\$0	\$52,347	\$10,977	\$227,422	\$295,030
Documentary	\$281	\$0	\$3,036	\$651	\$14,203	\$18,171
Edu/ Industry	\$102	\$0	\$1,133	\$287	\$5,110	\$6,632
Feature Film	\$49,740	\$0	\$533,953	\$122,717	\$2,361,726	\$3,068,136
Music Video	\$149	\$0	\$1,696	\$323	\$7,597	\$9,765
Short Film	\$49	\$0	\$560	\$106	\$2,173	\$2,888
Still Shot	\$1,534	\$0	\$16,534	\$3,926	\$70,663	\$92,657
Television	\$1,800	\$0	\$18,802	\$3,446	\$92,648	\$116,696
<b>TOTAL MT TAX IMPACT</b>	<b>\$57,939</b>	<b>\$0</b>	<b>\$628,061</b>	<b>\$142,433</b>	<b>\$2,781,542</b>	<b>\$3,609,975</b>

### Estimated Annual State and Federal Tax Impacts by Tax and Production Type (1997)

1997 TOTAL Tax Impact	Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total Tax Impact
Commercial	\$194,249	\$17,186	\$180,507	\$60,599	\$276,795	\$729,336
Documentary	\$11,317	\$980	\$10,468	\$3,596	\$17,287	\$43,648
Edu/ Industry	\$4,116	\$401	\$3,907	\$1,586	\$6,219	\$16,229
Feature Film	\$2,002,883	\$168,239	\$1,841,228	\$677,450	\$2,874,462	\$7,564,262
Music Video	\$6,010	\$651	\$5,850	\$1,782	\$9,246	\$23,539
Short Film	\$1,953	\$225	\$1,932	\$584	\$2,645	\$7,339
Still Shot	\$61,779	\$5,289	\$57,014	\$21,671	\$86,004	\$231,757
Television	\$72,463	\$5,288	\$64,836	\$19,022	\$112,763	\$274,372
<b>TOTAL MT TAX IMPACT</b>	<b>\$2,354,770</b>	<b>\$198,259</b>	<b>\$2,165,742</b>	<b>\$786,290</b>	<b>\$3,385,421</b>	<b>\$8,890,482</b>

## ADDENDUM C:

### SUMMARY OF ANNUAL PRODUCTION EXPENDITURES

		1997 <sup>24</sup>		1998		1999	
	Average Budget <sup>25</sup>	Number of Productions	Total Expenditures	Number of Productions	Total Expenditures	Number of Productions	Total Expenditures
COMMERCIAL							
Small Production	\$30,000	6	\$180,000	3	\$90,000	2	\$60,000
Medium Production	\$150,000	3	\$450,000	7	\$1,050,000	5	\$750,000
Large Production	\$263,000	13	\$3,419,000	8	\$2,104,000	21	\$5,523,000
SUBTOTAL		22	\$4,049,000	18	\$3,244,000	28	\$6,333,000
DOCUMENTARY							
Small Production	\$13,500	3	\$40,500	9	\$121,500	5	\$67,500
Medium Production	\$67,500	1	\$67,500	3	\$202,500	1	\$67,500
Large Production	\$117,500	1	\$117,500	1	\$117,500	0	\$0
SUBTOTAL		5	\$225,500	13	\$441,500	6	\$135,000
EDUCATION/INDUSTRY							
Small Production	\$4,500	1	\$4,500	1	\$4,500	3	\$13,500
Medium Production	\$23,000	2	\$46,000	0	\$0	1	\$23,000
Large Production	\$40,500	1	\$40,500	0	\$0	1	\$40,500
SUBTOTAL		4	\$91,000	1	\$4,500	5	\$77,000
FEATURE FILM							
Small Production	\$1,175,000	2	\$2,350,000	1	\$1,175,000	2	\$2,350,000
Medium Production	\$7,342,000	2	\$14,684,000	0	\$0	0	\$0
Large Production	\$10,278,500	2	\$20,557,000	0	\$0	0	\$0
SUBTOTAL		6	\$37,591,000	1	\$1,175,000	2	\$2,350,000
MUSIC VIDEO							
Small Production	\$26,000	0	\$0	1	\$26,000	0	\$0
Medium Production	\$130,000	1	\$130,000	1	\$130,000	0	\$0
Large Production	\$227,000	0	\$0	0	\$0	0	\$0
SUBTOTAL		1	\$130,000	2	\$156,000	0	\$0
SHORT FILM							
Small Production	\$9,000	0	\$0	1	\$9,000	0	\$0
Medium Production	\$46,000	1	\$46,000	0	\$0	0	\$0
Large Production	\$80,500	0	\$0	0	\$0	0	\$0
SUBTOTAL		1	\$46,000	1	\$9,000	0	\$0
STILL SHOTS							
Small Production	\$12,500	6	\$75,000	2	\$25,000	12	\$150,000
Medium Production	\$63,500	7	\$444,500	4	\$254,000	4	\$254,000
Large Production	\$111,000	6	\$666,000	6	\$666,000	13	\$1,443,000
SUBTOTAL		19	\$1,185,500	12	\$945,000	29	\$1,847,000
TELEVISION							
Small Production	\$15,000	5	\$75,000	11	\$165,000	18	\$270,000
Medium Production	\$151,000	4	\$604,000	6	\$906,000	10	\$1,510,000
Large Production	\$528,000	1	\$528,000	1	\$528,000	3	\$1,584,000
SUBTOTAL	--	10	\$1,207,000	18	\$1,599,000	31	\$3,364,000
TOTAL	--	68	\$44,525,000	66	\$7,574,000	101	\$14,106,000

<sup>24</sup> 1997 data is not used to calculate incentives, tax levels or impacts in this report other than in the addendum. FY 1997 data is anomalous.

<sup>25</sup> The term "average budget" in this table is used to summarize the

		<b>2000</b>		<b>2001</b>	
	<b>Average Budget</b>	<b>Number of Productions</b>	<b>Total Expenditures</b>	<b>Number of Productions</b>	<b>Total Expenditures</b>
<b>COMMERCIAL</b>					
Small Production	\$30,000	2	\$60,000	5	\$150,000
Medium Production	\$150,000	7	\$1,050,000	5	\$750,000
Large Production	\$263,000	9	\$2,367,000	6	\$1,578,000
<b>SUBTOTAL</b>		<b>18</b>	<b>\$3,477,000</b>	<b>16</b>	<b>\$2,478,000</b>
<b>DOCUMENTARY</b>					
Small Production	\$13,500	4	\$54,000	3	\$40,500
Medium Production	\$67,500	3	\$202,500	6	\$405,000
Large Production	\$117,500	0	\$0	3	\$352,500
<b>SUBTOTAL</b>		<b>7</b>	<b>\$256,500</b>	<b>12</b>	<b>\$798,000</b>
<b>EDUCATION/INDUSTRY</b>					
Small Production	\$4,500	0	\$0	3	\$13,500
Medium Production	\$23,000	2	\$46,000	1	\$23,000
Large Production	\$40,500	0	\$0	1	\$40,500
<b>SUBTOTAL</b>		<b>2</b>	<b>\$46,000</b>	<b>5</b>	<b>\$77,000</b>
<b>FEATURE FILM</b>					
Small Production	\$1,175,000	2	\$2,350,000	0	\$0
Medium Production	\$7,342,000	0	\$0	0	\$0
Large Production	\$10,278,500	0	\$0	0	\$0
<b>SUBTOTAL</b>		<b>2</b>	<b>\$2,350,000</b>	<b>0</b>	<b>\$0</b>
<b>MUSIC VIDEO</b>					
Small Production	\$26,000	2	\$52,000	1	\$26,000
Medium Production	\$130,000	0	\$0	0	\$0
Large Production	\$227,000	0	\$0	0	\$0
<b>SUBTOTAL</b>		<b>2</b>	<b>\$52,000</b>	<b>1</b>	<b>\$26,000</b>
<b>SHORT FILM</b>					
Small Production	\$9,000	0	\$0	0	\$0
Medium Production	\$46,000	0	\$0	1	\$46,000
Large Production	\$80,500	1	\$80,500	0	\$0
<b>SUBTOTAL</b>		<b>1</b>	<b>\$80,500</b>	<b>1</b>	<b>\$46,000</b>
<b>STILL SHOTS</b>					
Small Production	\$12,500	3	\$37,500	1	\$12,500
Medium Production	\$63,500	4	\$254,000	2	\$127,000
Large Production	\$111,000	8	\$888,000	4	\$444,000
<b>SUBTOTAL</b>		<b>15</b>	<b>\$1,179,500</b>	<b>7</b>	<b>\$583,500</b>
<b>TELEVISION</b>					
Small Production	\$15,000	13	\$195,000	15	\$225,000
Medium Production	\$151,000	6	\$906,000	9	\$1,359,000
Large Production	\$528,000	0	\$0	1	\$528,000
<b>SUBTOTAL</b>	<b>--</b>	<b>19</b>	<b>\$1,101,000</b>	<b>25</b>	<b>\$2,112,000</b>
<b>TOTAL</b>	<b>--</b>	<b>66</b>	<b>\$8,542,500</b>	<b>67</b>	<b>\$6,120,500</b>

	2002		2003		TOTAL	
	Number of Productions	Total Expenditures	Number of Productions	Total Expenditures	Number of Productions	Total Expenditures
<b>COMMERCIAL</b>						
Small Production	7	\$210,000	5	\$150,000	24	\$720,000
Medium Production	1	\$150,000	1	\$150,000	26	\$3,900,000
Large Production	6	\$1,578,000	5	\$1,315,000	55	\$14,465,000
SUBTOTAL	14	\$1,938,000	11	\$1,615,000	105	\$19,085,000
<b>DOCUMENTARY</b>						
Small Production	6	\$81,000	9	\$121,500	36	\$486,000
Medium Production	0	\$0	4	\$270,000	17	\$1,147,500
Large Production	0	\$0	0	\$0	4	\$470,000
SUBTOTAL	6	\$81,000	13	\$391,500	57	\$2,103,500
<b>EDUCATION/INDUSTRY</b>						
Small Production	5	\$22,500	6	\$27,000	18	\$81,000
Medium Production	3	\$69,000	2	\$46,000	9	\$207,000
Large Production	0	\$0	0	\$0	2	\$81,000
SUBTOTAL	8	\$91,500	8	\$73,000	29	\$369,000
<b>FEATURE FILM</b>						
Small Production	5	\$5,875,000	2	\$2,350,000	12	\$14,100,000
Medium Production	0	\$0	0	\$0	0	\$0
Large Production	0	\$0	0	\$0	0	\$0
SUBTOTAL	5	\$5,875,000	2	\$2,350,000	12	\$14,100,000
<b>MUSIC VIDEO</b>						
Small Production	1	\$26,000	1	\$26,000	6	\$156,000
Medium Production	0	\$0	0	\$0	1	\$130,000
Large Production	0	\$0	1	\$227,000	1	\$227,000
SUBTOTAL	1	\$26,000	2	\$253,000	8	\$513,000
<b>SHORT FILM</b>						
Small Production	0	\$0	0	\$0	1	\$9,000
Medium Production	1	\$46,000	0	\$0	2	\$92,000
Large Production	0	\$0	1	\$80,500	2	\$161,000
SUBTOTAL	1	\$46,000	1	\$80,500	5	\$262,000
<b>STILL SHOTS</b>						
Small Production	3	\$37,500	6	\$75,000	27	\$337,500
Medium Production	3	\$190,500	2	\$127,000	19	\$1,206,500
Large Production	5	\$555,000	3	\$333,000	39	\$4,329,000
SUBTOTAL	11	\$783,000	11	\$535,000	85	\$5,873,000
<b>TELEVISION</b>						
Small Production	22	\$330,000	18	\$270,000	97	\$1,455,000
Medium Production	8	\$1,208,000	1	\$151,000	40	\$6,040,000
Large Production	1	\$528,000	0	\$0	6	\$3,168,000
SUBTOTAL	31	\$2,066,000	19	\$421,000	143	\$10,663,000
<b>TOTAL</b>	<b>77</b>	<b>\$10,906,500</b>	<b>67</b>	<b>\$5,719,000</b>	<b>444</b>	<b>\$52,968,500</b>

## ADDENDUM D:

### RELATIONSHIP BETWEEN TAXES EARNED AND INCENTIVES

Sample Total Production Expenditures	Labor Incentive		Expenditure Incentive		Taxes Earned By Montana (Effective Tax Rate of 8.9%)	Taxes Retained By MT After Incentive
	Qualified Labor Expenditure @ 18% of Total Production	Labor Incentive @ 12%	Qualified Production Expenditures @ 54% of Total Production	Expenditure Incentive @ 8%		
\$5,000,000	\$900,000	\$108,000	\$2,700,000	\$216,000	\$445,000	\$121,000
\$10,000,000	\$1,800,000	\$216,000	\$5,400,000	\$432,000	\$890,000	\$242,000
\$15,000,000	\$2,700,000	\$324,000	\$8,100,000	\$648,000	\$1,335,000	\$363,000
\$20,000,000	\$3,600,000	\$432,000	\$10,800,000	\$864,000	\$1,780,000	\$484,000
\$25,000,000	\$4,500,000	\$540,000	\$13,500,000	\$1,080,000	\$2,225,000	\$605,000
\$30,000,000	\$5,400,000	\$648,000	\$16,200,000	\$1,296,000	\$2,670,000	\$726,000
\$35,000,000	\$6,300,000	\$756,000	\$18,900,000	\$1,512,000	\$3,115,000	\$847,000
\$40,000,000	\$7,200,000	\$864,000	\$21,600,000	\$1,728,000	\$3,560,000	\$968,000
\$45,000,000	\$8,100,000	\$972,000	\$24,300,000	\$1,944,000	\$4,005,000	\$1,089,000
\$50,000,000	\$9,000,000	\$1,080,000	\$27,000,000	\$2,160,000	\$4,450,000	\$1,210,000
\$55,000,000	\$9,900,000	\$1,188,000	\$29,700,000	\$2,376,000	\$4,895,000	\$1,331,000
\$60,000,000	\$10,800,000	\$1,296,000	\$32,400,000	\$2,592,000	\$5,340,000	\$1,452,000
\$65,000,000	\$11,700,000	\$1,404,000	\$35,100,000	\$2,808,000	\$5,785,000	\$1,573,000
\$70,000,000	\$12,600,000	\$1,512,000	\$37,800,000	\$3,024,000	\$6,230,000	\$1,694,000
\$75,000,000	\$13,500,000	\$1,620,000	\$40,500,000	\$3,240,000	\$6,675,000	\$1,815,000
\$80,000,000	\$14,400,000	\$1,728,000	\$43,200,000	\$3,456,000	\$7,120,000	\$1,936,000
\$85,000,000	\$15,300,000	\$1,836,000	\$45,900,000	\$3,672,000	\$7,565,000	\$2,057,000
\$90,000,000	\$16,200,000	\$1,944,000	\$48,600,000	\$3,888,000	\$8,010,000	\$2,178,000
\$95,000,000	\$17,100,000	\$2,052,000	\$51,300,000	\$4,104,000	\$8,455,000	\$2,299,000
\$100,000,000	\$18,000,000	\$2,160,000	\$54,000,000	\$4,320,000	\$8,900,000	\$2,420,000

## ADDENDUM E:

### SUMMARY OF FILM PRODUCTION EXPENDITURE IMPACTS ON THE MONTANA ECONOMY (INDUSTRY ESTIMATES)

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
1	Oilseed farming	\$79
2	Grain farming	\$21,351
3	Vegetable and melon farming	\$2,355
4	Tree nut farming	\$0
5	Fruit farming	\$0
6	Greenhouse and nursery production	\$5,855
7	Tobacco farming	\$0
8	Cotton farming	\$0
9	Sugarcane and sugar beet farming	\$1,098
10	All other crop farming	\$50,718
11	Cattle ranching and farming	\$201,737
12	Poultry and egg production	\$2,311
13	Animal production- except cattle and poultry	\$53,819
14	Logging	\$18,379
15	Forest nurseries- forest products- and timber	\$68
16	Fishing	\$380
17	Hunting and trapping	\$13,428
18	Agriculture and forestry support activities	\$10,775
19	Oil and gas extraction	\$155,991
20	Coal mining	\$47,202
21	Iron ore mining	\$0
22	Copper- nickel- lead- and zinc mining	\$161
23	Gold- silver- and other metal ore mining	\$1,436
24	Stone mining and quarrying	\$203
25	Sand- gravel- clay- and refractory mining	\$229
26	Other nonmetallic mineral mining	\$4,241
27	Drilling oil and gas wells	\$349
28	Support activities for oil and gas operations	\$46,145
29	Support activities for other mining	\$180
30	Power generation and supply	\$1,171,044
31	Natural gas distribution	\$225,604
32	Water- sewage and other systems	\$40,424
33	New residential 1-unit structures- non-farm	\$0
34	New multifamily housing structures- non-farm	\$0
35	New residential additions and alterations- non-farm	\$0
36	New farm housing units and additions	\$0
37	Manufacturing and industrial buildings	\$0
38	Commercial and institutional buildings	\$0
39	Highway- street- bridge- and tunnel construction	\$0
40	Water- sewer- and pipeline construction	\$0
41	Other new construction	\$2,118,740
42	Maintenance and repair of farm and non-farm residence	\$46,439
43	Maintenance and repair of nonresidential buildings	\$217,372
44	Maintenance and repair of highways- streets- bridge	\$0
45	Other maintenance and repair construction	\$46,592
46	Dog and cat food manufacturing	\$1,686
47	Other animal food manufacturing	\$1,527
48	Flour milling	\$17,945
49	Rice milling	\$0

<sup>26</sup> Total Impact is the sum of the indirect (Impact of expenditures made by production related businesses) induced (Impact of the re-spending of money put into production related businesses by production related businesses) and direct impacts (Impact of production expenditures - expenditures on labor affect most State industries).

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
50	Malt manufacturing	\$6
51	Wet corn milling	\$0
52	Soybean processing	\$0
53	Other oilseed processing	\$92
54	Fats and oils refining and blending	\$2,287
55	Breakfast cereal manufacturing	\$0
56	Sugar manufacturing	\$2,450
57	Confectionery manufacturing from cacao beans	\$0
58	Confectionery manufacturing from purchased chocolate	\$955
59	Non-chocolate confectionery manufacturing	\$725
60	Frozen food manufacturing	\$336
61	Fruit and vegetable canning and drying	\$4,141
62	Fluid milk manufacturing	\$154,174
63	Creamery butter manufacturing	\$0
64	Cheese manufacturing	\$0
65	Dry- condensed- and evaporated dairy products	\$37,608
66	Ice cream and frozen dessert manufacturing	\$25,003
67	Animal- except poultry- slaughtering	\$145,543
68	Meat processed from carcasses	\$118,391
69	Rendering and meat byproduct processing	\$449
70	Poultry processing	\$0
71	Seafood product preparation and packaging	\$1,464
72	Frozen cakes and other pastries manufacturing	\$0
73	Bread and bakery product- except frozen- manufacture	\$184,845
74	Cookie and cracker manufacturing	\$1,712
75	Mixes and dough made from purchased flour	\$730
76	Dry pasta manufacturing	\$7,101
77	Tortilla manufacturing	\$294
78	Roasted nuts and peanut butter manufacturing	\$103
79	Other snack food manufacturing	\$0
80	Coffee and tea manufacturing	\$779
81	Flavoring syrup and concentrate manufacturing	\$0
82	Mayonnaise- dressing- and sauce manufacturing	\$0
83	Spice and extract manufacturing	\$24,089
84	All other food manufacturing	\$1,543
85	Soft drink and ice manufacturing	\$33,479
86	Breweries	\$8,211
87	Wineries	\$1,151
88	Distilleries	\$0
89	Tobacco stemming and Redrying	\$0
90	Cigarette manufacturing	\$0
91	Other tobacco product manufacturing	\$0
92	Fiber- yarn- and thread mills	\$444
93	Broad woven fabric mills	\$1,964
94	Narrow fabric mills and schiffli embroidery	\$0
95	Nonwoven fabric mills	\$0
96	Knit fabric mills	\$0
97	Textile and fabric finishing mills	\$3,009
98	Fabric coating mills	\$0
99	Carpet and rug mills	\$0
100	Curtain and linen mills	\$157
101	Textile bag and canvas mills	\$320
102	Tire cord and tire fabric mills	\$0
103	Other miscellaneous textile product mills	\$1,265
104	Sheer hosiery mills	\$0
105	Other hosiery and sock mills	\$0
106	Other apparel knitting mills	\$0
107	Cut and sew apparel manufacturing	\$21,423
108	Accessories and other apparel manufacturing	\$11,258



IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
109	Leather and hide tanning and finishing	\$2,254
110	Footwear manufacturing	\$1,216
111	Other leather product manufacturing	\$5,433
112	Sawmills	\$43,235
113	Wood preservation	\$5,338
114	Reconstituted wood product manufacturing	\$4,915
115	Veneer and plywood manufacturing	\$17,903
116	Engineered wood member and truss manufacturing	\$5,644
117	Wood windows and door manufacturing	\$20,865
118	Cut stock re-sawing lumber and planing	\$12,918
119	Other millwork- including flooring	\$698
120	Wood container and pallet manufacturing	\$2,450
121	Manufactured home- mobile home- manufacturing	\$0
122	Prefabricated wood building manufacturing	\$1,201
123	Miscellaneous wood product manufacturing	\$7,586
124	Pulp mills	\$0
125	Paper and paperboard mills	\$1,448
126	Paperboard container manufacturing	\$5,605
127	Flexible packaging foil manufacturing	\$0
128	Surface-coated paperboard manufacturing	\$0
129	Coated and laminated paper and packaging materials	\$0
130	Coated and uncoated paper bag manufacturing	\$0
131	Die-cut paper office supplies manufacturing	\$0
132	Envelope manufacturing	\$0
133	Stationery and related product manufacturing	\$0
134	Sanitary paper product manufacturing	\$31
135	All other converted paper product manufacturing	\$66
136	Manifold business forms printing	\$0
137	Books printing	\$0
138	Blankbook and loose-leaf binder manufacturing	\$0
139	Commercial printing	\$147,873
140	Trade binding and related work	\$62
141	Prepress services	\$474
142	Petroleum refineries	\$681,643
143	Asphalt paving mixture and block manufacturing	\$914
144	Asphalt shingle and coating materials manufacturing	\$0
145	Petroleum lubricating oil and grease manufacturing	\$0
146	All other petroleum and coal products manufacturing	\$0
147	Petrochemical manufacturing	\$0
148	Industrial gas manufacturing	\$9,711
149	Synthetic dye and pigment manufacturing	\$0
150	Other basic inorganic chemical manufacturing	\$9,659
151	Other basic organic chemical manufacturing	\$24,138
152	Plastics material and resin manufacturing	\$140
153	Synthetic rubber manufacturing	\$0
154	Cellulose organic fiber manufacturing	\$0
155	Noncellulosic organic fiber manufacturing	\$0
156	Nitrogenous fertilizer manufacturing	\$383
157	Phosphatic fertilizer manufacturing	\$0
158	Fertilizer- mixing only- manufacturing	\$1,488
159	Pesticide and other agricultural chemical manufacture	\$1,626
160	Pharmaceutical and medicine manufacturing	\$32,095
161	Paint and coating manufacturing	\$29
162	Adhesive manufacturing	\$0
163	Soap and other detergent manufacturing	\$2,009
164	Polish and other sanitation good manufacturing	\$847
165	Surface active agent manufacturing	\$0
166	Toilet preparation manufacturing	\$2,636
167	Printing ink manufacturing	\$0

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
168	Explosives manufacturing	\$12
169	Custom compounding of purchased resins	\$423
170	Photographic film and chemical manufacturing	\$842
171	Other miscellaneous chemical product manufacturing	\$5,131
172	Plastics packaging materials- film and sheet	\$19,964
173	Plastics pipe- fittings- and profile shapes	\$404
174	Laminated plastics plate- sheet- and shapes	\$0
175	Plastics bottle manufacturing	\$3,064
176	Resilient floor covering manufacturing	\$0
177	Plastics plumbing fixtures and all other plastics	\$15,469
178	Foam product manufacturing	\$31,065
179	Tire manufacturing	\$58
180	Rubber and plastics hose and belting manufacturing	\$0
181	Other rubber product manufacturing	\$162
182	Vitreous china plumbing fixture manufacturing	\$0
183	Vitreous china and earthenware articles manufacture	\$6
184	Porcelain electrical supply manufacturing	\$0
185	Brick and structural clay tile manufacturing	\$0
186	Ceramic wall and floor tile manufacturing	\$0
187	Non-clay refractory manufacturing	\$0
188	Clay refractory and other structural clay products	\$0
189	Glass container manufacturing	\$0
190	Glass and glass products- except glass containers	\$1,040
191	Cement manufacturing	\$81
192	Ready-mix concrete manufacturing	\$5,853
193	Concrete block and brick manufacturing	\$16
194	Concrete pipe manufacturing	\$0
195	Other concrete product manufacturing	\$443
196	Lime manufacturing	\$0
197	Gypsum product manufacturing	\$1
198	Abrasive product manufacturing	\$0
199	Cut stone and stone product manufacturing	\$7
200	Ground or treated minerals and earths manufacturing	\$0
201	Mineral wool manufacturing	\$10
202	Miscellaneous nonmetallic mineral products	\$5
203	Iron and steel mills	\$0
204	Ferroalloy and related product manufacturing	\$0
205	Iron- steel pipe and tube from purchased steel	\$83
206	Rolled steel shape manufacturing	\$0
207	Steel wire drawing	\$649
208	Alumina refining	\$0
209	Primary aluminum production	\$16
210	Secondary smelting and alloying of aluminum	\$0
211	Aluminum sheet- plate- and foil manufacturing	\$0
212	Aluminum extruded product manufacturing	\$0
213	Other aluminum rolling and drawing	\$5
214	Primary smelting and refining of copper	\$0
215	Primary nonferrous metal- except copper and aluminum	\$1,014
216	Copper rolling- drawing- and extruding	\$0
217	Copper wire- except mechanical- drawing	\$0
218	Secondary processing of copper	\$0
219	Nonferrous metal- except copper and aluminum- shap	\$0
220	Secondary processing of other nonferrous	\$0
221	Ferrous metal foundries	\$60
222	Aluminum foundries	\$0
223	Nonferrous foundries- except aluminum	\$74
224	Iron and steel forging	\$2
225	Nonferrous forging	\$0
226	Custom roll forming	\$0

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
227	All other forging and stamping	\$23
228	Cutlery and flatware- except precious- manufacture	\$755
229	Hand and edge tool manufacturing	\$2,312
230	Saw blade and handsaw manufacturing	\$0
231	Kitchen utensil- pot- and pan manufacturing	\$100
232	Prefabricated metal buildings and components	\$9
233	Fabricated structural metal manufacturing	\$1,260
234	Plate work manufacturing	\$946
235	Metal window and door manufacturing	\$77
236	Sheet metal work manufacturing	\$394
237	Ornamental and architectural metal work manufacture	\$45
238	Power boiler and heat exchanger manufacturing	\$0
239	Metal tank- heavy gauge- manufacturing	\$17
240	Metal can- box- and other container manufacturing	\$295
241	Hardware manufacturing	\$5,400
242	Spring and wire product manufacturing	\$0
243	Machine shops	\$30,622
244	Turned product and screw- nut- and bolt manufacture	\$436
245	Metal heat treating	\$0
246	Metal coating and non-precious engraving	\$381
247	Electroplating- anodizing- and coloring metal	\$917
248	Metal valve manufacturing	\$252
249	Ball and roller bearing manufacturing	\$0
250	Small arms manufacturing	\$0
251	Other ordnance and accessories manufacturing	\$0
252	Fabricated pipe and pipe fitting manufacturing	\$0
253	Industrial pattern manufacturing	\$0
254	Enameled iron and metal sanitary ware manufacturing	\$0
255	Miscellaneous fabricated metal product manufacture	\$59
256	Ammunition manufacturing	\$2
257	Farm machinery and equipment manufacturing	\$566
258	Lawn and garden equipment manufacturing	\$0
259	Construction machinery manufacturing	\$920
260	Mining machinery and equipment manufacturing	\$53
261	Oil and gas field machinery and equipment	\$12
262	Sawmill and woodworking machinery	\$641
263	Plastics and rubber industry machinery	\$0
264	Paper industry machinery manufacturing	\$0
265	Textile machinery manufacturing	\$0
266	Printing machinery and equipment manufacturing	\$1,123
267	Food product machinery manufacturing	\$654
268	Semiconductor machinery manufacturing	\$79
269	All other industrial machinery manufacturing	\$9,471
270	Office machinery manufacturing	\$0
271	Optical instrument and lens manufacturing	\$416
272	Photographic and photocopying equipment manufacture	\$785
273	Other commercial and service industry machinery ma	\$2,627
274	Automatic vending- commercial laundry and dry-clean	\$0
275	Air purification equipment manufacturing	\$0
276	Industrial and commercial fan and blower manufacture	\$0
277	Heating equipment- except warm air furnaces	\$0
278	AC- refrigeration- and forced air heating	\$19
279	Industrial mold manufacturing	\$107
280	Metal cutting machine tool manufacturing	\$0
281	Metal forming machine tool manufacturing	\$0
282	Special tool- die- jig- and fixture manufacturing	\$240
283	Cutting tool and machine tool accessory manufacture	\$2,586
284	Rolling mill and other metalworking machinery	\$0
285	Turbine and turbine generator set units manufacture	\$0

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
286	Other engine equipment manufacturing	\$0
287	Speed changers and mechanical power transmission e	\$117
288	Pump and pumping equipment manufacturing	\$59
289	Air and gas compressor manufacturing	\$14
290	Measuring and dispensing pump manufacturing	\$0
291	Elevator and moving stairway manufacturing	\$219
292	Conveyor and conveying equipment manufacturing	\$1,025
293	Overhead cranes- hoists- and monorail systems	\$0
294	Industrial truck- trailer- and stacker manufacture	\$268
295	Power-driven hand tool manufacturing	\$0
296	Welding and soldering equipment manufacturing	\$0
297	Packaging machinery manufacturing	\$0
298	Industrial process furnace and oven manufacturing	\$207
299	Fluid power cylinder and actuator manufacturing	\$38
300	Fluid power pump and motor manufacturing	\$0
301	Scales- balances- and miscellaneous general purpose	\$106
302	Electronic computer manufacturing	\$1,102
303	Computer storage device manufacturing	\$0
304	Computer terminal manufacturing	\$0
305	Other computer peripheral equipment manufacturing	\$1,582
306	Telephone apparatus manufacturing	\$6,349
307	Broadcast and wireless communications equipment	\$4,313
308	Other communications equipment manufacturing	\$103
309	Audio and video equipment manufacturing	\$0
310	Electron tube manufacturing	\$0
311	Semiconductors and related device manufacturing	\$2,705
312	All other electronic component manufacturing	\$12,845
313	Electro-medical apparatus manufacturing	\$0
314	Search- detection- and navigation instruments	\$1,039
315	Automatic environmental control manufacturing	\$142
316	Industrial process variable instruments	\$1,279
317	Totalizing fluid meters and counting devices	\$0
318	Electricity and signal testing instruments	\$1,022
319	Analytical laboratory instrument manufacturing	\$0
320	Irradiation apparatus manufacturing	\$831
321	Watch- clock- and other measuring and controlling	\$1,353
322	Software reproducing	\$0
323	Audio and video media reproduction	\$22,461
324	Magnetic and optical recording media manufacturing	\$0
325	Electric lamp bulb and part manufacturing	\$0
326	Lighting fixture manufacturing	\$64
327	Electric housewares and household fan manufacturing	\$0
328	Household vacuum cleaner manufacturing	\$0
329	Household cooking appliance manufacturing	\$0
330	Household refrigerator and home freezer manufacture	\$0
331	Household laundry equipment manufacturing	\$0
332	Other major household appliance manufacturing	\$0
333	Electric power and specialty transformer manufacture	\$0
334	Motor and generator manufacturing	\$0
335	Switchgear and switchboard apparatus manufacturing	\$678
336	Relay and industrial control manufacturing	\$0
337	Storage battery manufacturing	\$0
338	Primary battery manufacturing	\$0
339	Fiber optic cable manufacturing	\$0
340	Other communication and energy wire manufacturing	\$0
341	Wiring device manufacturing	\$183
342	Carbon and graphite product manufacturing	\$0
343	Miscellaneous electrical equipment manufacturing	\$2,749
344	Automobile and light truck manufacturing	\$0

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
345	Heavy duty truck manufacturing	\$0
346	Motor vehicle body manufacturing	\$2,159
347	Truck trailer manufacturing	\$305
348	Motor home manufacturing	\$0
349	Travel trailer and camper manufacturing	\$2,901
350	Motor vehicle parts manufacturing	\$14,045
351	Aircraft manufacturing	\$1,814
352	Aircraft engine and engine parts manufacturing	\$0
353	Other aircraft parts and equipment	\$289
354	Guided missile and space vehicle manufacturing	\$0
355	Propulsion units and parts for space vehicles and	\$1
356	Railroad rolling stock manufacturing	\$112
357	Ship building and repairing	\$0
358	Boat building	\$276
359	Motorcycle- bicycle- and parts manufacturing	\$158
360	Military armored vehicles and tank parts manufacture	\$0
361	All other transportation equipment manufacturing	\$118
362	Wood kitchen cabinet and countertop manufacturing	\$19,543
363	Upholstered household furniture manufacturing	\$15,171
364	Non-upholstered wood household furniture manufacture	\$38,282
365	Metal household furniture manufacturing	\$0
366	Institutional furniture manufacturing	\$281
367	Other household and institutional furniture	\$0
368	Wood office furniture manufacturing	\$57
369	Custom architectural woodwork and millwork	\$210
370	Office furniture- except wood- manufacturing	\$0
371	Showcases- partitions- shelving- and lockers	\$1,250
372	Mattress manufacturing	\$11,087
373	Blind and shade manufacturing	\$0
374	Laboratory apparatus and furniture manufacturing	\$0
375	Surgical and medical instrument manufacturing	\$5,503
376	Surgical appliance and supplies manufacturing	\$7,790
377	Dental equipment and supplies manufacturing	\$9,375
378	Ophthalmic goods manufacturing	\$486
379	Dental laboratories	\$11,354
380	Jewelry and silverware manufacturing	\$3,484
381	Sporting and athletic goods manufacturing	\$804
382	Doll- toy- and game manufacturing	\$71
383	Office supplies- except paper- manufacturing	\$71
384	Sign manufacturing	\$17,937
385	Gasket- packing- and sealing device manufacturing	\$7
386	Musical instrument manufacturing	\$40
387	Broom- brush- and mop manufacturing	\$0
388	Burial casket manufacturing	\$0
389	Buttons- pins- and all other miscellaneous manufacturing	\$2,543
390	Wholesale trade	\$1,342,308
391	Air transportation	\$187,928
392	Rail transportation	\$94,713
393	Water transportation	\$0
394	Truck transportation	\$416,803
395	Transit and ground passenger transportation	\$168,382
396	Pipeline transportation	\$65,323
397	Scenic and sightseeing transportation and support	\$84,063
398	Postal service	\$211,119
399	Couriers and messengers	\$159,351
400	Warehousing and storage	\$13,634
401	Motor vehicle and parts dealers	\$762,160
402	Furniture and home furnishings stores	\$128,687
403	Electronics and appliance stores	\$105,156

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
404	Building material and garden supply stores	\$3,944,404
405	Food and beverage stores	\$674,128
406	Health and personal care stores	\$126,285
407	Gasoline stations	\$232,410
408	Clothing and clothing accessories stores	\$186,443
409	Sporting goods- hobby- book and music stores	\$115,449
410	General merchandise stores	\$487,919
411	Miscellaneous store retailers	\$225,061
412	Non-store retailers	\$210,488
413	Newspaper publishers	\$208,513
414	Periodical publishers	\$36,886
415	Book publishers	\$10,129
416	Database- directory- and other publishers	\$28,425
417	Software publishers	\$7,003
418	Motion picture and video industries	\$4,112,635
419	Sound recording industries	\$540,020
420	Radio and television broadcasting	\$476,145
421	Cable networks and program distribution	\$199,524
422	Telecommunications	\$892,168
423	Information services	\$13,723
424	Data processing services	\$33,236
425	Non-depository credit intermediation and related a	\$224,626
426	Securities- commodity contracts- investments	\$427,403
427	Insurance carriers	\$430,701
428	Insurance agencies- brokerages- and related	\$61,935
429	Funds- trusts- and other financial vehicles	\$154,044
430	Monetary authorities and depository credit	\$1,263,808
431	Real estate	\$1,573,516
432	Automotive equipment rental and leasing	\$3,306,270
433	Video tape and disc rental	\$36,171
434	Machinery and equipment rental and leasing	\$5,339,387
435	General and consumer goods rental except video tap	\$48,532
436	Lessors of non-financial intangible assets	\$411,734
437	Legal services	\$499,880
438	Accounting and bookkeeping services	\$284,202
439	Architectural and engineering services	\$316,584
440	Specialized design services	\$33,375
441	Custom computer programming services	\$5,211
442	Computer systems design services	\$91,354
443	Other computer related services- including facility	\$42,035
444	Management consulting services	\$98,658
445	Environmental and other technical consulting service	\$27,688
446	Scientific research and development services	\$29,914
447	Advertising and related services	\$73,917
448	Photographic services	\$558,607
449	Veterinary services	\$54,760
450	All other miscellaneous professional and technical	\$62,586
451	Management of companies and enterprises	\$130,269
452	Office administrative services	\$100,502
453	Facilities support services	\$5,219
454	Employment services	\$215,978
455	Business support services	\$133,811
456	Travel arrangement and reservation services	\$166,062
457	Investigation and security services	\$1,105,364
458	Services to buildings and dwellings	\$105,296
459	Other support services	\$72,870
460	Waste management and remediation services	\$68,261
461	Elementary and secondary schools	\$56,982
462	Colleges- universities- and junior colleges	\$67,181

IMPLAN	EST. IMPACT OF \$53 MILLION IN FILM PRODUCTION BY INDUSTRY	TOTAL IMPACT <sup>26</sup>
463	Other educational services	\$662,428
464	Home health care services	\$144,472
465	Offices of physicians- dentists- and other health	\$1,609,819
466	Other ambulatory health care services	\$518,646
467	Hospitals	\$2,182,055
468	Nursing and residential care facilities	\$588,171
469	Child day care services	\$172,493
470	Social assistance- except child day care services	\$212,664
471	Performing arts companies	\$54,174
472	Spectator sports	\$20,234
473	Independent artists- writers- and performers	\$3,316,510
474	Promoters of performing arts and sports and agents	\$454,935
475	Museums- historical sites- zoos- and parks	\$2,678,366
476	Fitness and recreational sports centers	\$31,484
477	Bowling centers	\$4,412
478	Other amusement- gambling- and recreation industry	\$272,332
479	Hotels and motels- including casino hotels	\$7,688,022
480	Other accommodations	\$94,545
481	Food services and drinking places	\$6,000,332
482	Car washes	\$40,497
483	Automotive repair and maintenance- except car wash	\$1,144,263
484	Electronic equipment repair and maintenance	\$97,880
485	Commercial machinery repair and maintenance	\$78,174
486	Household goods repair and maintenance	\$98,410
487	Personal care services	\$107,499
488	Death care services	\$81,886
489	Dry-cleaning and laundry services	\$104,909
490	Other personal services	\$86,613
491	Religious organizations	\$213,360
492	Grant making and giving and social advocacy organize	\$68,456
493	Civic- social- professional and similar organization	\$154,445
494	Private households	\$56,169
495	Federal electric utilities	\$25,940
496	Other Federal Government enterprises	\$58,250
497	State and local government passenger transit	\$15,194
498	State and local government electric utilities	\$0
499	Other State and local government enterprises	\$541,765
500	Non-comparable imports	\$0
501	Scrap	\$0
502	Used and secondhand goods	\$0
503	State & Local Education	\$0
504	State & Local Non-Education	\$0
505	Federal Military	\$0
506	Federal Non-Military	\$0
507	Rest of the world adjustment to final uses	\$0
508	Inventory valuation adjustment	\$0
509	Owner-occupied dwellings	\$2,655,278
11001	Federal Government Non-Defense	\$589
12001	State/Local Govt Non-Education	\$317,303
14001	Capital	\$26,135
14002	Inventory Additions/Deletions	\$3,100
25001	Foreign Trade	\$696,596
28001	Domestic Trade	\$5,346,597
<b>TOTAL</b>		<b>\$81,434,559</b>